

expenses due by BST as a result of BST's billing to BSLD for services under this Agreement, BSLD shall, at its option and expense (including, if required by a taxing authority, payment of such Tax, penalty and interest before final resolution of the issue) have the right to seek administrative relief, a ruling, judicial review (in a manner deemed appropriate by BSLD) as to the applicability of any Tax, penalty or interest, or to protest any assessment and direct any legal challenge filed with the Internal Revenue Service or in a court of Law, and shall be liable hereunder for any such assessment amount ultimately determined to be due.

5. Any legal proceeding or any other action with respect to BST and with respect to any asserted liability or additional Taxes due by BST shall be under BST's direction, but BSLD shall be consulted. Any legal proceeding or any other action with respect to BSLD and with respect to any asserted liability of additional Taxes due by BSLD shall be under BSLD's direction, but BST shall be consulted. In any event, both Parties shall fully cooperate with each other as to the asserted liability. BSLD shall bear all the costs of any such action undertaken at its specific request. BST shall bear the costs of any such action undertaken absent such a request from BSLD.

D. Taxes -- Gross Receipts Taxes

BST is billing BSLD's revenues for a specific fee. BST shall not report these billings as its own receipts for gross receipts tax purposes or any other tax purpose.

E. Taxes -- Associated with B&C Service Charges

Should any federal, state or local jurisdiction determine that sales, uses, gross receipts or other receipts, or any other taxes (including interest, penalties and surcharges thereon) are due by BST as a result of BST's provision of Services and such taxes are placed in effect and have not been billed by BST or paid by BSLD, BST shall advise BSLD and begin billing BSLD for such taxes, interest, penalties and surcharges, and BSLD shall immediately reimburse BST for the amount of such taxes, interest, penalties and surcharges paid by BST. BSLD shall, at its option and expense, including immediate payment of any such assessment, have the right to seek a ruling as to the inapplicability of any such tax or to protest any assessment and participate in any legal challenge to such assessment, but shall be liable for any tax, penalty, surcharge and interest ultimately determined to be due.

10. PROVISION OF BSLD AND/OR CLIENT INFORMATION TO COURT, REGULATORY BODY, OR GOVERNMENT AGENCY

If a court, regulatory body, and/or government agency, having jurisdiction over BST, requests BST to provide to them records, data files, and/or other information pertaining to BST's Services and/or its customers' service(s) (i.e., billing records or revenue), BSLD agrees to assist BST, to the full extent of its ability, in providing said data and/or information to the requesting party. Furthermore, when a subpoena, notice, demand, or inquiry eliciting such data and/or information is served to BST by a court, regulatory body, or government agency, the Parties agree to consider the service to BSLD and Clients as well. BST shall notify BSLD, via a telephone call, of service within 24 hours of receipt.

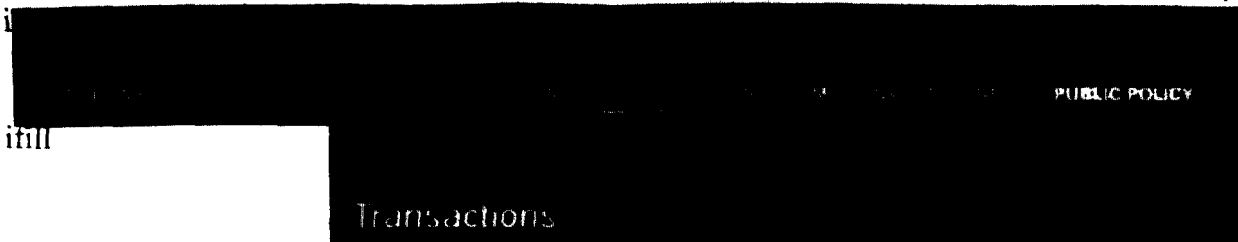
11. CONFIDENTIALITY AND PUBLICITY

A. All business-sensitive and competitive information which is marked as such and which is disclosed by BSLD or BST to the other Party during the negotiation of this Agreement, as well as information generated during the performance of the Services contemplated herein, are proprietary and confidential to the disclosing Party and shall not be disclosed to a third party. Also, neither Party shall use information except to perform duties pursuant to this Agreement. Each Party shall use the same standard of care to protect such information of the disclosing Party as it uses to protect its own similar confidential and proprietary information unless such information was previously known to such Party free of any obligation to keep it confidential, or has been or is subsequently made public by the disclosing Party or a third party.

B. Unless otherwise required by applicable law or regulatory agency, each Party agrees that it shall not, without prior written consent of the other Party, make any news release, public announcement, or denial or confirmation of the whole or any part of their Agreement which names the other Party, or an affiliated BST of the other Party except that BSLD may inform Clients about the Parties' relationship and describe the provisions set forth herein which affect Clients, for the Clients internal circulation only.

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Collocation Agreement By and Between
BellSouth Telecommunications, Inc.

and

BellSouth Long Distance, Inc.

BELLSOUTH PHYSICAL COLLOCATION MASTER AGREEMENT

THIS AGREEMENT, made this Fifth (5th) day of June, 1997, by and between BellSouth Telecommunications, Inc. ("BellSouth"), a corporation organized and existing under the laws of the State of Georgia, and BellSouth Long Distance, Inc. ("Interconnector"), a corporation organized and existing under the laws of Delaware;

WITNESSETH

WHEREAS, Interconnector wishes the right to occupy the BellSouth Central Office(s) delineated herein for the purpose of interconnection to BellSouth's facilities;

WHEREAS, BellSouth has space available in its Central Office(s) which Interconnector desires to utilize; and

WHEREAS, BellSouth is willing to make such space available to Interconnector within its Central Office(s) subject to all terms and conditions of this Agreement;

NOW, THEREFORE, in consideration of the mutual agreements and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as

Transactions Between
BellSouth
Telecommunications,
Inc. and BellSouth Long
Distance Inc.

Filings and Positions

follows:

I. SCOPE OF AGREEMENT

A. BellSouth hereby grants to Interconnector a right to occupy that certain enclosed area designated by BellSouth within a BellSouth Central Office, of a size and dimension which is specified by Interconnector and agreed to by BellSouth (hereinafter "Collocation Space"). BellSouth will design and construct at Interconnector's expense, a wall or other delineation to establish a clear division between the Collocation Space and other areas of the Central Office dedicated to BellSouth's use.

B. Interconnector shall use the Collocation Space for the purposes of installing, maintaining and operating Interconnector's equipment (to include testing and monitoring equipment) which is used to interconnect with telecommunications services and facilities provided by BellSouth. Pursuant to Article III, following, Interconnector may place Interconnector-owned fiber entrance facilities to the Collocation Space, in which case the arrangement is designated "Expanded Interconnection." Placement of equipment in the Collocation Space without the use of Interconnector-owned entrance facilities is designated "Service Interconnection." In addition to, and not in lieu of, interconnection to BellSouth services and facilities, Interconnector may connect to other Interconnectors within the designated Central Office. The Collocation Space may be used for no other purposes except as specifically described herein or authorized in writing by BellSouth.

C. Interconnector may not provide or make available space within the Collocation Space to any third party. Any violation of this provision shall be deemed a material breach of this Agreement.

D. Interconnector agrees to pay the rates and charges identified at Exhibit A attached hereto.

E. A Collocation Space will be provided

to Interconnector at each Central Office identified at Exhibit B attached hereto, which Exhibit shall be updated from time to time as additional Central Offices are made subject to the terms of this Agreement.

II. TERM OF AGREEMENT

A. Commencement Date. The "Commencement Date" shall be the first day after Interconnector's equipment becomes operational as described in Article II.B, following. This Agreement shall be for an initial term of two (2) years, beginning on the Commencement Date and ending two (2) years later on the month and day corresponding to the Commencement Date.

B. Occupancy. BellSouth will notify Interconnector that the Collocation Space is ready for occupancy. Interconnector must place operational telecommunications equipment in the Collocation Space and connect with BellSouth's network within one hundred eighty (180) days after receipt of such notice. BellSouth may consent to an extension beyond 180 days upon a demonstration by Interconnector that circumstances beyond its reasonable control prevented Interconnector from completing installation by the prescribed date. If Interconnector fails to place operational telecommunications equipment in the Collocation Space within 180 days and such failure continues for a period of thirty (30) days after receipt of written notice from BellSouth, then and in that event this Agreement shall terminate and BellSouth shall have no further obligations to Interconnector hereunder. Termination of the Agreement pursuant to this paragraph shall not operate to release Interconnector from its obligation to reimburse BellSouth for all costs reasonably incurred by BellSouth in preparing the Collocation Space, but rather such obligation shall survive this Agreement. For purposes of this paragraph, Interconnector's telecommunications equipment will be deemed operational when cross-connected to BellSouth's

network for the purpose of service provision.

C. Termination. Interconnector may terminate this Agreement upon thirty (30) days prior written notice to BellSouth. Upon termination, Interconnector at its expense shall remove its equipment and other property from the Collocation Space. Interconnector shall have thirty (30) days from the termination date to complete such removal; provided, however, that Interconnector shall continue payment of monthly fees to BellSouth until such date as Interconnector has fully vacated the Collocation Space. Should Interconnector fail to vacate the Collocation Space within thirty (30) days from the termination date, BellSouth shall have the right to remove the equipment and other property of Interconnector at Interconnector's expense and with no liability for damage or injury to Interconnector's property unless caused by the negligence or intentional misconduct of BellSouth.

III. USE OF COLLOCATION SPACE

A. Nature of Use. BellSouth shall permit Interconnector to place, maintain and operate in the Collocation Space any equipment that Interconnector is authorized by BellSouth and by Federal or State regulators to place, maintain and operate in collocation space and that is used by Interconnector to provide services which Interconnector has the legal authority to provide. The equipment must at a minimum comply with the BellCore Network Equipment Building System (NEBS) General Equipment Requirements (TR-NWT-000063) and National Electric Code standards. Interconnector may elect to enclose the Collocation Space. Interconnector shall not use the Collocation Space for marketing purposes. Interconnector shall place no signs or marking of any kind (except for a plaque or other identification affixed to Interconnector's equipment and reasonably necessary to identify Interconnector's equipment, and which shall include a list of emergency contacts with telephone

numbers), in the area surrounding the Collocation Space or on the grounds of the Central Office housing the Collocation Space.

B. Entrance Facilities. Interconnector may elect to place Interconnector-owned entrance facilities into the Collocation Space. BellSouth will designate the point of interconnection in proximity to the central office building housing the Collocation Space, such as an entrance manhole or a cable vault. Interconnector will provide and place cable at the point of interconnection of sufficient length to be pulled through conduit and into the splice location. No splicing will be permitted in the entrance manhole. Interconnector will provide a sufficient length of fire retardant riser cable, to which the entrance cable will be spliced, which will extend from the splice location to the Interconnector's equipment in the Collocation Space. Interconnector must contact BellSouth for instructions prior to placing the entrance facility cable in the manhole. Interconnector is responsible for maintenance of the entrance facilities. Dual entrance will be permitted where capacity exists. The interconnection point for entrance facilities extending from a rooftop antenna will be designated by BellSouth on the Application/Inquiry response.

C. Demarcation Point. A point-of-termination bay(s) will designate the point(s) of interconnection between Interconnector's equipment and/or network and BellSouth's network. Each party will be responsible for maintenance and operation of all equipment/facilities on its side of the demarcation point. Interconnector may, at its option, provide its own point-of-termination bay(s) in accordance with BellSouth's guidelines and specifications, which BellSouth will provide upon request.

D. Interconnector's Equipment and Facilities. Interconnector is solely responsible for the design, engineering, testing, performance, monitoring, maintenance, and repair of the equipment and facilities used by Interconnector in the Collocation Space. Without limitation of

the foregoing provisions, Interconnector will be responsible for servicing, supplying, repairing, installing and maintaining the following: (1) cable(s); (2) equipment; (3) point-of-termination cross-connects; (4) point of termination maintenance, including replacement fuses and circuit breaker restoration, if not performed by BellSouth; and (5) connection cable(s) and associated equipment which may be required within the Collocation Space to the points of interconnection.

E. Access and Administration.

Interconnector shall have access to the Collocation Space twenty-four (24) hours per day, seven (7) days per week. BellSouth shall provide access to bathrooms and drinking water, where available, within the Central Office twenty-four (24) hours per day, seven (7) days per week. A security escort will be required at Central Offices where separate, secured ingress and egress are not available and access would require Interconnector to traverse restricted areas. All employees, agents and contractors of Interconnector having access to the Collocation Space shall comply with BellSouth's policies and practices pertaining to fire, safety and security, and each such employee, agent or contractor shall display an identification badge issued by Interconnector or certified vendor which contains a current photo, the individual's name and company name/logo. Interconnector agrees to comply with all laws, ordinances and regulations affecting the use of the Collocation Space. Upon expiration of this Agreement, Interconnector shall surrender the Collocation Space to BellSouth in the same condition as when first occupied by the Interconnector except for ordinary wear and tear.

F. Interference or Impairment.

Notwithstanding any other provisions of this Agreement, equipment and facilities placed in the Collocation Space shall not interfere with or impair service provided by BellSouth or by any other interconnector located in the Central Office; shall not endanger or damage the facilities of BellSouth or of any other interconnector,

the Collocation Space, or the Central Office; shall not compromise the privacy of any communications carried in, from, or through the Central Office; and shall not create an unreasonable risk of injury or death to any individual or to the public. If BellSouth reasonably determines that any equipment or facilities of Interconnector violate the provisions of this paragraph, BellSouth shall give written notice to Interconnector, which notice shall direct Interconnector to cure the violation within twenty-four (24) hours or, at a minimum, to commence curative measures within 24 hours and to exercise reasonable diligence to complete such measures as soon as possible thereafter. If Interconnector fails to take curative action within 24 hours or if the violation is of a character which poses an immediate and substantial threat of damage to property, injury or death to any person, or interference/impairment of the services provided by BellSouth, then and only in that event BellSouth may take such action as it deems appropriate to correct the violation, including without limitation the interruption of electrical power to Interconnector's equipment. BellSouth will endeavor, but is not required, to provide notice to Interconnector prior to taking such action and shall have no liability to Interconnector for any damages arising from such action, except to the extent that such action by BellSouth constitutes willful misconduct.

G. Personalty and its Removal. Subject to requirements of this Agreement, Interconnector may place or install in or on the Collocation Space such facilities and equipment as it deems desirable for the conduct of business. Personal property, facilities and equipment placed by Interconnector in the Collocation Space shall not become a part of the Collocation Space, even if nailed, screwed or otherwise fastened to the Collocation Space, but shall retain their status as personalty and may be removed by Interconnector at any time. Any damage caused to the Collocation Space by Interconnector's employees, agents or representatives during the removal of such property shall be promptly repaired by Interconnector at its expense.

H. Alterations. In no case shall Interconnector or any person acting on behalf of Interconnector make any rearrangement, modification, improvement, addition, repair, or other alteration to the Collocation Space or the BellSouth Central Office without the written consent of BellSouth, which consent shall not be unreasonably withheld. The cost of any such specialized alterations shall be paid by Interconnector.

IV. ORDERING AND PREPARATION OF COLLOCATION SPACE

A. Application for Space. Interconnector shall submit to BellSouth a complete and accurate Application and Inquiry document, together with payment of the Application Fee as stated in Exhibit A. The Application shall contain a detailed description and schematic drawing of the equipment to be placed in Interconnector's Collocation Space(s) and an estimate of the amount of square footage required. BellSouth will respond to Interconnector's Application in writing following the completion of review, planning and design activities. Such response will include estimates on space availability, space preparation costs and space availability dates.

B. Bona Fide Firm Order. Interconnector shall indicate its intent to proceed with equipment installation in a BellSouth Central Office by submitting a Bona Fide Firm Order to BellSouth. A Bona Fide Firm Order requires Interconnector to complete the Application/Inquiry process described in Article IV.A preceding, submit an updated Application document based on the outcome of the Application/Inquiry process, and pay all applicable fees referenced in Article V, following. The Bona Fide Firm Order must be received by BellSouth no later than thirty (30) days after BellSouth's response to Interconnector's Application/Inquiry. Space preparation for the Collocation Space will not begin until BellSouth receives the Bona Fide Firm Order and all applicable fees.

C. Use of Certified Vendor. Interconnector shall select an equipment installation vendor which has been approved as a BellSouth Certified Vendor to perform all engineering and installation work required in the Collocation Space. BellSouth shall provide Interconnector with a list of Certified Vendors upon request. The Certified Vendor shall be responsible for installing Interconnector's equipment and components, extending power cabling to the BellSouth power distribution frame, performing operational tests after installation is complete, and notifying BellSouth's equipment engineers and Interconnector upon successful completion of installation. The Certified Vendor shall bill Interconnector directly for all work performed for Interconnector pursuant to this Agreement and BellSouth shall have no liability for nor responsibility to pay such charges imposed by the Certified Vendor.

D. Alarm and monitoring. BellSouth shall place environmental alarms in the Central Office for the protection of BellSouth equipment and facilities. Interconnector shall be responsible for placement, monitoring and removal of environmental and equipment alarms used to service the Collocation Space. Upon request, BellSouth will provide Interconnector with applicable tariffed service(s) to facilitate remote monitoring of collocated equipment by Interconnector.

E. Basic Telephone Service. Upon request of Interconnector, BellSouth will provide basic telephone service to the Collocation Space under the rates, terms and conditions of the current tariff offering for the service requested.

F. Space Preparation. BellSouth shall pro rate the costs of any renovation or upgrade to Central Office space or support mechanisms which is required to accommodate physical collocation. Interconnector's pro rated share will be calculated by multiplying such cost by a percentage equal to the amount of square footage occupied by Interconnector divided by the total Central Office square footage

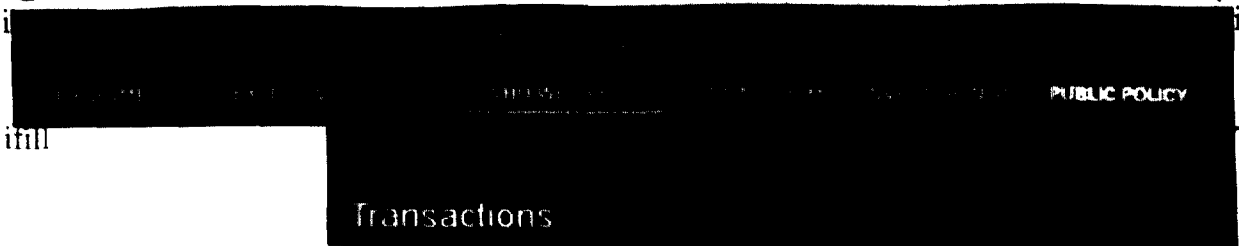
receiving renovation or upgrade. For this section, support mechanisms provided by BellSouth may include, but not be limited to heating/ventilation/air conditioning (HVAC) equipment, HVAC duct work, cable support structure, fire wall(s), mechanical upgrade, asbestos abatement, ground plane addition, or separate ingress/egress construction. Such renovation or upgrade will be evaluated and the charges assessed on a per Central Office basis. BellSouth will make reasonable efforts to provide for occupancy of the Collocation Space on the negotiated date and will advise Interconnector of delays. Interconnector agrees BellSouth shall not be liable to Interconnector for delays in providing possession of the Collocation Space.

G. Space Enclosure. Upon request of Interconnector, BellSouth shall construct an equipment arrangement enclosure of a size and dimension jointly agreed upon by the Parties. Interconnector may request enclosed floor space in increments of fifty (50) square feet, with a minimum of one hundred (100) square feet. Interconnector may, at its option, arrange with a BellSouth certified contractor to construct the space enclosure in accordance with BellSouth's guidelines and specifications. Such contractor shall directly bill Interconnector for activities associated with the space enclosure construction.

H. Cancellation. If Interconnector cancels its order for the Collocation Space(s), Interconnector will reimburse BellSouth for any expenses incurred up to the date that written notice of the cancellation is received. In no event will the level of reimbursement under this paragraph exceed the maximum amount Interconnector would have otherwise paid for work undertaken by BellSouth if no cancellation of the order had occurred.

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Transactions

[Exhibit A](#) | [Exhibit B](#) | [Exhibit C](#) | [Exhibit D](#)


Transactions Between
BellSouth
Telecommunications,
Inc. and BellSouth Long
Distance Inc.

Filings and Positions

EXHIBIT A
of the
**Billing & Collection Service Package
Clearinghouse Agreement
Between
BellSouth Telecommunications, Inc.
and
BellSouth Long Distance, Inc.**

MASTER TABLE OF CONTENTS

i. LIST OF ABBREVIATIONS

ii. GLOSSARY OF TERMS

**Part One: General Agreement Terms & Conditions
Table of Contents**

1. General Statements
2. BST Undertakings
3. BSLD Obligations
4. B&C Service Deposit Requirements
5. Processing of Client Messages and Data
6. Audit Provisions
7. Joint Recourse Studies
8. OBR (Open Billing Request) Handling Procedures
9. Ordering BST's B&C Service Package

**Part Two: Processing and Billing of BSLD Messages
Table of Contents**

10. Message Processing
11. Application of Pricing Plans, Fees, Discounts, & Charges
12. Testing Requirements
13. Bill Presentation & Bill Rendering

**Part Three: End-User Account Management
Table of Contents**

14. Expanded Inquiry Service
15. Post-Billing Adjustments
16. Billing Information
17. Fraud Management and/or Monitoring
18. Miscellaneous

**Part Four: Billing, Settlements, and Payments
Table of Contents**

19. Settlements for BSLD
20. Settlements for BSLD Clients
21. Billing of B&C Service Charges (CABS)

i.

LIST OF ABBREVIATIONS

ABEC - Alternate Billing Entity Code
 AMA - Automatic Message Accounting (Recording)
 B&C - Billing and Collection
 BSLD - BellSouth Long Distance
 BST - BellSouth Telecommunications
 BOC - Bell Operating Company
 BNS - Billed Number Screening
 BTN - Bill To Number
 CIC - Carrier Identification Code
 CMDS - Centralized Message Data System
 CNA - Customer Name and Address
 CRIS - Customer (End User) Records Information System
 DAK - Deny All Knowledge
 EMI - Exchange Message Interface
 FTS - File Transfer SystemTM
 ICB - Individual Case Basis
 ICO - Independent Telephone Company
 IL - Information Letter
 IEC - Interexchange Carrier
 IPOC - Initial Point Of Contact
 IXC - Interexchange Carrier
 LEC - Local Exchange Company
 MIC - Message Investigation Center
 MSS - Message Switching System
 NPA - Numbering Plan Area (Area Code)
 NXX - Exchange Code
 OBR - Open Billing Request
 OM - Order of Magnitude
 OPH - Operator Handled calls
 PAR - Purchase of Accounts Receivable
 PARS - Purchase of Accounts Receivable by Tape Settlement
 PBA - Post-Billing Adjustment
 PIC - Primary Interexchange Carrier
 PIN - Personal Identification Number
 PIU - Percent of Interstate Usage
 PON - Purchase Order Number
 RAO - Revenue Accounting Office
 T&C - Time and Cost
 UB - Unbillable
 UC - Uncollectible

ii.

GLOSSARY OF TERMS**Agreement.**

All the documents which make-up BSLD & BST's B&C Service Package Operating Agreement; i.e., the principal document, this Exhibit, Exhibit B, any other exhibits, attachments, addendums, or amendments as well as applicable sections of the state access tariffs.

ALPHA (Not an Acronym).

The name of BST's new recording system which replaced the AMA system in BST's network.

Amount Due BST.

Regarding B&C Service (CABS) billing, the Amount Due BST equals all appropriate Billing and Collection (B&C) Service charges billed under this Agreement and any applicable State Tariffs.

Amount Due BSLD.

Regarding Settlements, the Amount Due BSLD equals the confirmed end-user revenue amount, including associated taxes, plus or minus the recourse amounts.

Audit.

The review of billing and/or collection data encompassing multiple subjects; e.g., CRIS Message processing encompassing data receipt, calculation of balance due, bill presentation and bill rendering.

Automatic Message Accounting (AMA).

Consists of the recording and storing, on magnetic tape or other acceptable medium, of the basic details of end-user local and toll calls.

Bill Rendering.

Preparation, printing and mailing of BSLD charges for services rendered along with BST's local exchange telecommunication services to the end user.

Bill to Number (BTN).

The primary number assigned to the end user who is responsible for receiving the bill. Multiple telephone lines and calling card numbers may be associated with one BTN. May or may not be an actual dialable number.

BSLD.

BellSouth Long Distance; the party purchasing a B&C Service(s) under this Agreement.

BSLD and/or Client's End User.

A telecommunications end user who either chose or was assigned by default to BSLD or one of its Clients for Primary Interexchange Carrier (PIC) services in the Equal Access selection process. Could also be an end user who has accessed and used BSLD or Client network or services, or has been or is being billed by BST for BSLD's and/or Client's services.

BST.

BellSouth Telecommunications, Inc.

Casual Caller.

End users who have accessed and used BSLD's network via 10XXX or 101XXXXX dialing.

Centralized Message Data System (CMDS).

A Bellcore-owned system used by the RBOCs to electronically deliver and receive Exchange Message Interface (EMI)-formatted billing data between the recording/rating company and the billing company.

Client.

A service Company who has contracted with a *Clearinghouse* to be its billing agent. The 'Client' is the Clearinghouse's customer. The Client may be the provider of the services being billed, or may be acting as a

clearinghouse agent for other service providers.

Clearinghouse.

A billing aggregator who processes its Clients' Messages with unique identification numbers called 'Sub-CICs', which are assigned by the Clearinghouse, using the 002-B Module.

CONNECT:Direct™.

A communication protocol product of Sterling Corporation which is used to electronically transmit data files. Supports speeds up to 56 Kbps with restart capability for speeds less than 56 Kbps.

Customer.

In most cases, the 'customer' is the entity with whom BST has entered into this Agreement; i.e., BSLD. The term may also include the customer's (i.e., BSLD's) Clients as well, based on the context in which the term is being used.

Data Transfer.

The process of delivering standard format call detail or records via magnetic tape, cartridge tape, and/or diskette.

Data Transmission. (Also referred to as, 'electronic data transmission').

The process of sending standard format call detail or records from one location to another using standard transmission software programs; i.e., CMDS, CONNE CT:Direct™, and/or FTST™.

Denial of Service.

The interruption of the end user's local exchange service as defined in BST's General Subscriber Services Tariff (GSST).

Discounts.

Reduction to BSLD charges billed on BST end-user accounts based on BSLD-provided pricing plans. NOTE: Pricing plans are provided by BSLD to BST for the discounting of its original BSLD-provided Messages.

Dispute.

This term has two different meanings within the Agreement -- depending on its context.

When discussing end users and post-billing adjustments, a dispute is classified by BST as an inquiry in which the end user has notified BSLD of a claim and BSLD, after investigation, sustains the charges and the end user continues to refuse to pay and contacts BST for assistance.

When discussing Settlements, B&C Service charges and audit claims, a dispute is defined by BST as a disagreement between BSLD and BST as to the amount due or owed.

EMI Record.

The industry's standard Exchange Message Interface (EMI) record layout and format for billing information. A 'Message' is provided to BST in the EMI Record format. In addition, billing information, settlements and CABS billing is delivered to BSLD in the EMI Record

format. See EMI below for additional information.

End User.

A person or entity who is a customer of BST and uses BST, BSLD, and/or BSLD Client telecommunications services (see BSLD's end user for additional explanation).

ETCS (Electronic Toll Collection System).

BST's AMA collection system. Gathers and retains the data.

Examination. (Also referred to as a 'special examination').

The review of one specific subject rather than multiple subjects as in an audit. For example, BSLD may elect to examine only the discounting of its Messages or Settlements.

Exchange Message Interface (EMI).

The industry standard record layout for the exchange of Messages between telecommunication providers. The EMI standards are maintained and provided by Bellcore in its Documentation SR-320.

Feature Group D.

Provides a trunk-side connection to a central office switch for originating or terminating calls to or from end users served by that end office within the exchange. Feature Group D is the "equal access" feature group, and is available to any interexchange carrier for use in switched telecommunications or information services.

File Transfer System™ (FTS).

A communication protocol product of Bellcore used to electronically transmit data files. Accessed via either 4.8 or 9.6 Kbps initial with no restart capability.

Foreign State Taxes.

Taxes on calls which originate in one state, where state or local tax is applicable, and are billed in another state. The taxes, calculated by BST based on the origination point of the call which is included in the EMI record.

Independent Telephone Company (ICO).

Non-Bell Operating Companies acting as Local Exchange Companies within the BST region.

Information Letter (IL).

Notification from BSLD to BST of an administrative change in BSLD's "business as usual". No programming changes are required. ILs are part of BST's Open Billing Request (OBR) Handling Procedures.

Investigation of Billed Charges.

A Service by which BSLD may obtain information concerning an end user's account, charges and deposits where BSLD information may be obtained by BST; e. g., initial service date, disconnect date, and billing name and address.

Mandated Unbillable (County Wide, Parish Wide, and County Seat).

When BST receives toll Messages for mandated toll free areas, BST returns the Messages to BSLD as 'mandated' unbillables. There are three types of mandated toll free calling areas (1) County Wide, (2) Parish Wide, and (3) County Seat. County and Parish Wide provides toll free calling within the county. County Seat provides end users toll free calling to up to 20 designated county government telephone numbers.

Message.

With Billing Services, the term 'Message' refers to all BSLD and Clients EMI records which contain BSLD service details, charges, mechanized credits and adjustments. This term does not include Marketing Message Service text.

Message Switching System (MSS).

BST's initial point of entry for BSLD EMI-formatted records for bill processing. BST transmits BSLD's EMI records from the MSS to the appropriate Revenue Accounting Office (RAO).

Message Investigation Center (MIC).

A BST center which analyzes BSLD's B&C Service Package Messages that have failed *pre-billing* edit(s) to determine if a correction is needed in BST's data base(s).

Minimum Settlement Fee.

Associated with BSLD Services; a Minimum Settlement Fee is billed to an end user when he/she does not meet the total BSLD Service charges amount agreed to in the pricing plan to which the end user has subscribed.

MSS Edits.

Basic edits of BSLD's Messages (EMI records) to assure the minimal information needed for billing is present.

Non-recurring Charge.

As it pertains to B&C Service Charges (CABS billing), Non-Recurring Charges are one-time occurrences; e.g., service establishment, development, and testing charges.

As it pertains to BSLD Service charges on end-user bills, Non-Recurring Charges are one-time charges for establishing BSLD Service and/or pricing plans.

Obligation ID (OBID).

A sequencing number that an interexchange carrier uses to identify its data when transmitted to the LEC. It is an eight position numeric field in the EMI record.

Order of Magnitude (OM).

Correspondence from BSLD to BST requesting a mutually non-binding Time and Cost (T&C) estimate for implementing a new service or initiating a change to an existing service. This enables BSLD to gain knowledge and understanding before making a commitment. OMs are part of BST's Open Billing Request (OBR) Handling Procedures.

Payment Availability Period.

The average number of days between the billing period date of an end-user bill and the date payment for the bill is deposited in BST's account.

Post-Billing Adjustment (PBA).

Normally, credits issued to BST end-user accounts for BSLD or Client charges that have billed to these end-user accounts, which in turn modifies (adjusts) the total settlements balance due BSLD from BST.

Processing Site.

A designated BST site which processes end-user billing data to produce bills. BST currently has 12 processing sites -- Birmingham, Louisville, New Orleans, Jackson, Nashville, Jacksonville, Ft. Lauderdale, Miami, Atlanta, Macon, Charlotte and Columbia.

Program Development.

Programming and program-related work performed by BST to meet a specific BSLD request for creation and implementation of a new service or changes to existing service(s).

Purchase Order Number (PON).

A BSLD specific written request to change an existing service feature or implement a new service feature for BSLD and/or for a BSLD Client(s). By authorizing a PON's T&C estimate, BSLD agrees to pay BST for the non-recurring programming and program-related expenses, and all non-programming expenses, incurred by BST while developing and implementing the PON. In addition, BSLDs agrees to pay BST for any recurring expenses incurred in providing the enhancement, change or new service feature on an on-going basis. Part of BST's Open Billing Request (OBR) Handling Procedures.

Purchase of Accounts Receivable by Tape Settlement (PARS).

Traditionally, the term 'PARS' was used by BST in connection with its paper settlement statement (package). In 1996, BST began offering its B&C customers an 'electronic PARS Package' utilizing Bellcore's new EMI records for settlements. Today, the term 'PARS' is used interchangeably, by BST managers, when discussing both the paper statement and the EMI-formatted data file. The PARS includes the customer's transmitted and re-billed revenue, associated taxes, recourse amounts (e.g., adjustments and unbillables), Settlement Allowance, and claim payments for the given settlement period as well as any lines created, at the request of the customer, for the reporting of specific revenues and/or recourse amounts.

Rating.

The computing of applicable charges for each call. Rating also includes the preparation of call detail information, in accordance with the Bellcore EMI documentation (SR-320), for billing.

Record.

A telecommunications industry standard used to refer to the unique layout that contains end-user billing information, account summary and tracking analysis. 'Record' is synonymous with 'EMI Record'.

Recurring Charge.

As it pertains to B&C Service Charges (CABS billing), a Recurring Charge is referred to as a recurring 'rate' which is applied whenever the

given service feature is performed; e.g., Per-Message Processed, Per-Bill Rendered, and Per BSLD-Initiated Wire Check.

As it pertains to BSLD Services, a Recurring Charge is billed each month to an end user in association with a BSLD pricing plan, feature charge, etc. (e.g., toll-free routing).

Regional Data Center (RDC).

A physical BST location which contains the computer hardware which multiple Processing Sites share for bill processing. For example, the RDC in Birmingham processes bills for the Atlanta, Macon and Birmingham Processing Sites. BST currently maintains five RDCs.

Revenue Accounting Office (RAO).

The BST B&C Services RAO is located in Birmingham, Alabama, and performs the end-user revenue accounting functions for all of BST's Processing Sites.

Settlement Period. The period of time which begins on the first of each calendar month and goes through the end of that month.

Suspected LEC Error Investigation.

An Optional Billing Service wherein BSLD requests BST to investigate a suspected BST billing system or end-user account data error. End-user account data investigations include, but are not limited to, end-user line disconnected before service date, BSLD or BST calling card not deactivated, duplicate billing and guide errors. BST will not perform a network wire check with this service.

10XXX or 101XXXX (Casual Traffic).

When an end user dials a direct dialed, long distance call from a location not PIC'd to the long distance company he/she subscribes, the end user dials 10XXX or 101XXXX. XXX or XXXX is the Carrier Identification Code (CIC) of BSLD or Client.

Time and Cost (T&C) Estimate.

Supplied by BST to BSLD in response to BSLD's initial OM or PON request. The T&C estimate provides the date of scheduled implementation and associated costs to develop and implement the requested service or existing service change. With OM's, the T&C estimate is mutually non-binding. With PONs, BSLD agrees to the implementation date and to pay the associated costs when it authorizes the T&C estimate. Part of BST's Open Billing Request (OBR) Handling Procedures.

Treatment.

Any action taken by BST to collect delinquent or unpaid amounts due on end-user accounts.

Termination Liability Fee.

Associated with BSLD Services; a Termination Liability Fee is billed to an end user when he/she discontinues a pricing plan before the contracted period is complete.

Unbillable (UB).

BSLD Messages BST is unable to post to an end-user account for billing.

Uncollectible (UC).

End-user Message charges BST is unable to collect because the end user does not pay the charge. The term 'uncollectible-direct' is synonymous with 'Post-Billing Adjustments'. The term 'uncollectible-realized' is synonymous with 'net bad debt'; moneys that are written off the company books.

Wire Checks.

An Optional Billing Service wherein BSLD may request BST to investigate a suspected BST network or billing system error. Wire Checks investigations include, but are not limited to, verifying that the end-user account is in BST's system, verifying that BSLD calls appear on the end user's bill, determining if BSLD charges were previously adjusted, checking for service order activity, and checking the end user's telephone service to determine if there is some type of network problem.

**Part One: General Agreement Terms & Conditions
Table of Contents**

- **General Statements**
 - Overview
 - Scope of Service
 - Minimum Service Period Requirement
 - Service Provision Changes
 - BST's Operating Territory
- **BST Undertakings**
 - Liability
 - Refusal of Discontinuance of Service
- **BSLD Obligations**
 - Unlawful Use of Services
 - Unauthorized Records
 - State Certification Requirements
- **B&C Service Deposit Requirement**
- **Processing of Client Messages and Data.**
 - General Description
 - Establishing Client CICs or ABECs
 - Setting Up Sub-CICs
 - ISAT Maintenance
 - Client's End-User Bill Page
 - Client Name Changes
- **Audit Provisions**
 - General Description
 - Terms and Conditions for One Audit and One Examination At No Additional Charge
 - Terms and Conditions for Additional Audits and Examinations Conducted for a Fee
 - Terms and Conditions Common to All Audits and Examinations
- **Joint Recourse Studies.**
 - Terms and Conditions for Additional Joint Recourse Studies
 - Joint Unbillable Studies
 - Joint Post-Billing Adjustment Studies
 - Joint Uncollectible Studies
- **OBR (Open Billing Request) Handling Procedures**
 - General Description

Documentation and Time Frames
Sample of Results After Changes Are Made
PON Authorization and Concurrence
PON Pre-Authorization
Completion and Confirmation
Billing

- **Ordering BST's B&C Service Package**
Initial Service Order
Changes to an Initial Service Order
Cancellation of an Initial Service Order

> 1. General Statements

1.1 Overview

BellSouth Telecommunications, Inc. (BST) has designed the Billing and Collection (B&C) Service Package for customers who wish to contract all of their, and their Clients, billing, collection, and service center operations with one outside vendor. Following is a list of the main functions BST will perform on BSLD and its Clients behalf with this Service:

- Collect and maintain end-user service deposits;
- Apply BSLD-provided pricing plan discounts, disability exemption discounts, cross contributions, and any other discounts to BSLD rated Messages;
- Apply, bill, and collect BSLD Service Order and USOC-based, flat-rate non-recurring and monthly recurring service charges to end-user accounts subscribing to BSLD pricing plans;
- Apply, bill and, collect BSLD termination liability fees, minimum settlement fees, and any other fees BSLD may establish during the term of this Agreement, to end-user accounts;
- Calculate, apply, bill, and collect all applicable home state and foreign state taxes (i.e., federal, state, county, city taxes, gross receipts, surcharges, etc.) to BSLD and Clients long distance charges, after all discounts have been applied to BSLD and Clients' charges. NOTE: BST does not pay BSLD or Clients' taxes to the taxing agencies; BSLD and Clients are responsible for payment of all taxes levied on its services.;
- Post to end-user accounts BSLD and Client's Messages and associated taxes, and BSLD Service Order and USOC-based service charges, fees, and associated taxes. These charges are included in the total amounts due to BST;
- Prepare and mail a separate bill page(s) for BSLD CIC 377 charges, and another (separate) bill page for all of BSLD's Client charges in BST's regular monthly bill for Local Exchange Service;
- Receive payments for amounts due;
- Maintain end-user accounts;
- Perform collection and treatment processes on end-user accounts;
- Perform *Expanded Inquiry Service*;
- Perform *Investigation of Billed Charges Service*, at no additional charge, as a part of *Expanded Inquiry Service*; and
- Handle all post-billing adjustments, including claims and disputes in BSLD and Clients behalf.

This Exhibit is a companion document to the principal document and Exhibit B. It contains all the terms and conditions related to the provisioning of this Service on behalf of BSLD and Clients with the exception of End-User Revenue Taxes (i.e., Taxes on BSLD's service charges). The principal document contains the terms and conditions for Taxes.

Exhibit B contains all the rates and charges; Appendix A contains the provisioning details for all the services and activities described in this Agreement.

1.2 Scope of Service

This Agreement applies only to those BSLD and Client rated Messages received into BST's billing system and posted to established BST end-user accounts. BST will not establish an end-user account solely for billing of BSLD and Client services.

BST will provide this B&C Service Package to BSLD on a state-by-state basis with Expanded Inquiry Service at the appropriate rates and charges set forth in Exhibit B (Rates and Charges). See *Part Four: End-User Account Management* for details on *Expanded Inquiry Service* and *Post-Billing Adjustments*.

When purchasing the *B&C Service Package* BSLD agrees to purchase all of the services and features described in this Agreement -- which are provisioned by BST as a 'package' -- with the exceptions of Category 41 Service, Detail 800 Service, Six-Second Billing, Customer-Initiated Wire Checks, Customer-Initiated Suspected LEC Error Investigation Service, and Cellular NPA/NXX/Line Scope Report. With the exceptions, referred to herein as 'Optional Service Features', BSLD may choose to purchase, and use, all or some of these features on a per-CIC/ABEC basis.

1.3 Minimum Service Period Requirement

The minimum service period for which BSLD may purchase the B&C Service Package is one 12-month calendar period.

1.4 Service Provision Changes

BST may, in its sole discretion, change the method of service provisioning for the purpose of upgrading to new technology, improving service performance, reducing operating expenses, etc. at any time during the term of this Agreement. If such changes require BSLD and Clients to make changes as well, BSLD will be given sufficient advanced notice. The time frames for advance notices are set forth throughout this Exhibit as they relate to the subjects and/or types of changes discussed.

1.5 BST's Operating Territory

BST's operating territory is comprised of market areas within the nine states of Alabama, Kentucky, Louisiana, Mississippi, Tennessee, Florida, Georgia, North Carolina and South Carolina. It also includes limited areas in states adjacent to BST's operating territory where BST's Local Access and Transport Area (LATA) boundaries in one state that overlap those of the adjacent state.

2.BST Undertakings

2.1 Liability

a)General Statement of Liability

- In the absence of willful misconduct, BST's liability for damages to BSLD, or any third person or entity, will be limited as specifically set forth in

various sections of this Agreement. Furthermore, such liability will be limited as follows:

- Not to exceed any amounts due BSLD through the rendering of Services under this Agreement,
- Restricted to the period in which the Services were defective,
- Limited to an amount equal to the proportionate charge for the period the Services were affected, and
- Consistent with the limitations set forth in herein.

b)Claims Against BST

Any claims against BST by BSLD, or any damages associated with BST's provision, termination, or maintenance of Services, are limited by the conditions set forth in (1) through (3) following.

(1) BST will not be liable for any act or omission of any other entity in the provision of any portion of Services for BSLD and Clients. BST will be responsible for its own acts or omissions in providing Services to BSLD and Clients as set forth in this Agreement.

(2)BSLD will indemnify, defend, and hold BST harmless against any claim, loss, or damage arising from BSLD and Clients use of Services offered under this Agreement involving:

- (a) Claims for libel, slander, invasion of privacy, or infringement of copyright arising from BSLD or Clients own communications;
- (b)Claims for patent infringement arising when BSLD combines or uses a Service furnished by an end user, BSLD, or BSLD Client; or
- (c)All other claims arising out of any BSLD or Client act or omission in the course of using Services provided pursuant to this Agreement.

(3)No license to BSLD under any patent (other than the limited license to use) is granted or implied by this Agreement, or will arise by estoppel, with respect to any Service offered under this Agreement. BST will defend BSLD against claims of patent infringement arising solely from BSLD or Clients use of Services offered under this Agreement and will indemnify BSLD and Clients for any damages awarded based solely on such claims.

2.2 Refusal and Discontinuance of Service

If BSLD fails to comply with the rules, conditions, and obligations stated within this Agreement, including the requirement that payments be made on the dates and times specified herein, BST will notify BSLD in writing of the non-compliance by Certified U.S. Mail to the person designated by BSLD to receive such notices of non-compliance. NOTE: This person's name and address is set forth in the principal document. If the non-compliance is not corrected in 30 calendar days, BST may:

- refuse additional applications for Services;
- refuse to complete any pending orders;
- discontinue the provision of Services for BSLD; and/or
- terminate this Agreement.

Upon discontinuance of Services, BSLD will pay BST for all charges incurred by BSLD and Clients, and BST will pay BSLD for any charges due BSLD.

3. BSLD Obligations

3.1Unlawful Use of Services

The Services provided under this Agreement will not be used by BSLD or Clients for any unlawful purpose. If BSLD or Clients use the Services for any unlawful purpose, BSLD will indemnify, defend and hold BST harmless against any and all damages and expenses, arising in any manner,

due to BSLD or Clients use of the Services in an unlawful way. BSLD or Clients use of the Services for any unlawful purpose will be grounds for BST to immediately terminate this Agreement in accordance with the Termination clauses set forth in the principal document.

3.2 Unauthorized Records

If BSLD or Clients send any unauthorized or untested records to BST's billing system which cause production failure and/or the need for recovery work, BSLD will pay the costs for this recovery. Such recovery may include extracting and returning call detail records to BSLD and correcting system damage. The total cost of this recovery will be determined on an Individual Case Basis (ICB) using the Open Billing Request (OBR) rates and charges set forth in Exhibit B (Rates and Charges).

In such circumstances, BSLD will indemnify, defend and hold BST harmless against any claims, loss or damage arising from the system failure which, in turn, may damage or destroy BSLD or Clients unauthorized or untested records.

3.3 State Certification Requirements

BSLD is solely responsible for obtaining the appropriate state PSC certifications, required by each state in the BST territory, to conduct telecommunication business and to bill end users intrastate Messages for BSLD and Client services. Furthermore, BSLD will provide BST copies of BSLD and Clients certifications at least 15 days before it plans to send Messages into production.

4. B&C Service Deposit Requirement

BST requires BSLD to pay a cash deposit for the Services being purchased under this Agreement. The deposit amount is set forth in Section 6. of the principal document, and is due before the implementation of Services purchased under this Agreement.

After the cash deposit is established, BST may, in its sole discretion, require BSLD to increase the deposit amount. The increase will be determined on an ICB.

The sole purpose of this deposit is to guarantee payment for Services rendered to BSLD and Clients. It does not relieve BSLD of complying with BST's conditions regarding prompt payment of bills. At any time before the termination of Services, BST, at its sole discretion, may refund or credit the deposit to BSLD's account once BSLD has established good credit.

See Exhibit B for details on the interest paid by BST to BSLD on its Service deposit amount.

5. Processing of Client Messages and Data

5.1 General Description

This Agreement is entered into by BSLD with the understanding that the B&C Service Package is for customers who will process not only its own services, but also the services of its Clients, and is therefore entering into this Agreement as a clearinghouse customer. BSLD may implement this Agreement without any Clients, and agrees to give BST four months advance notice of its plans to begin processing Client services at any time during the term of this Agreement. The one-time *Sub-CIC Service Establishment Charge*, which is separate from the *B&C Service Package Establishment Charge*, will be determined on an ICB, and paid by BSLD to BST at least 30 days before the first Client is set up.

BSLD will provide the Client's rated Messages to BST in the Bellcore EMI record format using the 002-B Module in accordance with the Bellcore documentation SR-320 along with any exception field formatting required by BST. BSLD is solely responsible for obtaining the Bellcore